

Message Text

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INFO AMEMBASSY MOSCOW
AMEMBASSY SINGAPORE
AMEMBASSY TAIPEI
AMEMBASSY TOKYO
USLO PEKING

S E C R E T SECTION 1 OF 2 HONG KONG 13014

E.O. 11652: GDS
TAGS: PFOR, CH, HK
SUBJECT: CHINA UNDER HUA: A FRAMEWORK FOR ANALYSIS

SUMMARY:

THE POWER STRUGGLE IN CHINA HAS ENTERED A NEW PHASE, BUT THE CHANGE TO A NEW LEADERSHIP WITH A CLEAR POLICY DIRECTION IS FAR FROM COMPLETE. IN OUR ANALYSES OVER THE COMING MONTHS, WE WILL BE LOOKING AT WHAT HUA MUST DO (AND WHETHER HE IS SUCCEEDING) IN CONSOLIDATING HIS POWER. THIS PROCESS WILL REQUIRE IN ADDITION TO CERTAIN FORMAL STEPS, RESOLVING OR AMELIORATING GENERATIONAL CONFLICT IN CHINA BEFORE HUA CAN TRANSLATE CONTROL INTO EFFECTIVE MOTIVATIONS. HOW (OR IF) HE CAPITALIZES ON THE APPARENTLY GENUINE MASS SIGN OF RELIEF OVER THE DOWNFALL OF THE "SHANGHAI FOUR" AND MOVES TOWARD OVERCOMING APATHY AND CYNICISM WILL TELL US A LOT ABOUT CHINA'S CHANCES OF BECOMING A STRONG, MODERN STATE IN THIS CENTURY. WE WILL BE WATCHING FOR ANY SUGGESTION OF CHANGE IN PRC POLICY TOWARD THE SOVIET UNION OR INDICATIONS THAT PEKING IS LOOKING FOR WAYS TO IMPROVE ITS LEVERAGE IN THE

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US/PRC/USSR RELATIONSHIP. THE PREMIMINARY SIGNS OUT OF

CHINA MAY BE ENCOURAGING, BUT IT IS BY NO MEANS SURE THAT A SO-CALLED "MODERATE" CHINESE COMMUNIST GOVERNMENT WILL FOLLOW POLICIES FAVORABLE TO US INTERESTS. IT IS EVEN LESS CERTAIN THAT ANY GESTURES OR STATEMENTS WE MIGHT MAKE WOULD INFLUENCE THE OUTCOME IN CHINA OR THE KINDS OF POLICIES PEKING MIGHT ADOPT. END SUMMARY.

1. THE RAPID PACE OF DEVELOPMENT OVER THE PAST MONTH, PRODUCING ALMOST DAILY REVELATIONS OF NEW CHARGES AGAINST THE SO-CALLED "GANG OF FOUR" AND THEIR FOLLOWERS HAS PRODUCED A STEADY FLOW OF SPOT REPORTS FROM BOTH PEKING AND HONG KONG. IN SUCH A STATE OF FLUX, THE CORRELATING OF FACTS AND RUMORS WAS LOGICALLY THE FIRST PRIORITY. AT THIS POINT, HOWEVER, WE SHOULD BEGIN TO LINK THIS INFORMATION TOGETHER AND ATTEMPT TO ANALYZE THE IMPACT OF CHINA'S MOST RECENT TRAUMA ON FUTURE STABILITY AND THE DIRECTION OF POLICY. THIS MESSAGE SETS FORTH WHAT WE IN HONG KONG WILL BE LOOKING FOR AS THE NEW LEADERSHIP CONSOLIDATES ITS POWER AND CHARTS NEW COURSES FOR THE PRC.

2. FIRST OFF, WE MUST DETERMINE WHAT HUA NEEDS TO DO TO CONSOLIDATE HIS POSITION. HE HAS ALREADY CONFIRMED HIS ELEVATION TO THE CHAIRMANSHIP BY ACCLAMATION AS IT WERE AND HAS REMOVED HIS MOST PROMINENT OPPOSITION AMID OFFICIALLY INSPIRED BUT, AS FAR AS WE CAN SEE, GENUINE ENTHUSIASM. HE HAS OFFICIALLY BEEN CHARGED WITH THE TRADITIONAL TASKS OF "WRITING THE HISTORY" OF THE PREVIOUS DYNASTY, THUS ALLOWING HIM TO SELECT THOSE OF MAO'S THOUGHTS WHICH SUPPORT THE POLICIES HE FAVORS. WE CAN EXPECT IN DUE COURSE FORMAL CENTRAL COMMITTEE AND LATER NATIONAL PEOPLE'S CONGRESS ENDORSEMENTS, LEGITIMIZING THE REGIME, AND FILLING POLITBURO AND STATE COUNCIL VACANCIES. THESE APPOINTMENTS WILL PROVIDE CLUES TO THE CHIEF ELEMENTS OF SUPPORT AND WILL BE USEFUL BECAUSE IT WILL ALLOW CONCENTRATION ON INDIVIDUALS AND THEIR PAST RELATIONSHIP RATHER THAN IMPRECISE DISCUSSIONS OF VAST ENTITIES SUCH AS "ARMY", "PARTY BUREAUCRACY", ETC WHICH WE ARE OFTEN FORCED INTO DOING NOW.

3. WE SHALL HAVE TO GO BEYOND OFFICIAL ENDORSEMENTS,
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INDIVIDUAL SUPPORTERS AND THE LIKE, HOWEVER, AND ATTEMPT TO ASSESS HUA'S LEADERSHIP STYLE. I THINK WE CAN ALREADY DETECT A STRESS ON DISCIPLINE AND PARTY AUTHORITY AWAY FROM STRUGGLE AND CONFRONTATION. HOWEVER, LEADERSHIP IN CHINA IS NOT JUST CONTROL BUT MOTIVATION AND MOTIVATION, ABOVE ALL, IN CHINESE WAYS. THESE MUST BE EFFECTIVE IN A CHINA WITHOUT MAO AND WITH A POPULACE PROBABLY TIRED AND CYNICAL ABOUT EXHORTATIVE CAMPAIGNS.

4. HERE WE HAVE TO QUESTION THE COMMON ASSUMPTION THAT THE "PRAGMATIC" OR "MODERATE" APPROACH IN CHINA WOULD BE TO INCREASE MATERIAL INCENTIVES FOR PRODUCTION. OBVIOUSLY IT WOULD BE TO A DEGREE AND IN THE SHORT RUN, BUT THERE ARE SEVERE LIMITS TO THE MATERIAL INCENTIVES WHICH CHINA CAN OFFER, AND EVEN THESE COULD CREATE "CONTRADICTIONS" BETWEEN WORKERS, BETWEEN CITIES AND THE COUNTRYSIDE, AND MIGHT EVEN LEAD TO "REVISIONISM" ON THE SOVIET MODEL AS THE CHINESE SEE IT. THE POLITICAL EFFECTS OF MATERIAL INCENTIVES POLICIES WILL BE AT LEAST AS IMPORTANT A SUBJECT FOR ANALYSIS AS PRODUCTION STATISTICS AND WILL REQUIRE AS ALWAYS, AN ALERT, SOPHISTICATED APPROACH TO DISTINGUISH WHAT THE CHINESE SAY THEY ARE DOING FROM WHAT ACTUALLY MAY BE HAPPENING.

5. ANOTHER ASPECT OF MOTIVATION RESOLVES AROUND THE GENERATIONAL CONFLICT WHICH IS INHERENT IN THE WAY THE MAO SUCCESSION HAS PLAYED OUT SO FAR. HUA IS NOT A LONG MARCHER HIMSELF, BUT SEVERAL OF HIS IDENTIFIED AND MOST PROMINENT SUPPORTERS ARE, AND HE BELONGS TO THE GENERATION OF THE ANTI-JAPANESE AND CIVIL WARS, HARDENED IN ALMOST THE SAME TRADITION AND REVOLUTIONARY EXPERIENCE. COMING UP BEHIND IS A YOUNGER GENERATION WHOSE MOST SIGNIFICANT POLITICAL EXPERIENCE WAS THE CULTURAL REVOLUTION. COMPARED WITH THE DRAB, STRICTLY CONTROLLED EXISTENCE OF YOUNG CHINESE NOW, THE CULTURAL REVOLUTION WAS UNDOUBTEDLY WIDELY EXCITING, AT LEAST FOR URBAN YOUTH, AND NOTHING IN THE YEARS SINCE WITH THEIR TIRESOME CAMPAIGNS ONE AFTER ANOTHER HAS COME AROUND TO TAKE ITS PLACE. DEPENDING UPON HOW CHINA IS LEAD, YOUTHFUL APATHY COULD BECOME A POLITICAL FACT STUPEFYING EFFORTS TO INCREASE PRODUCTION, AND DIMINISHING THE SENSE OF PARTI-

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CIPATION IN THE POLITICAL PROCESS WHICH WAS SO CHARACTERISTIC OF MAO'S STYLE. WE SHOULD STUDY CAREFULLY HOW THE NEW REGIME MAKES ITS APPEAL TO YOUTH.

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6. MORE PERTINENT, PERHAPS, IS THAT THE CULTURAL REVOLUTION SEEMED TO OPEN UP NEW WAYS TO THE TOP BY TEMPORARILY DESTROYING THE PARTY BUREAUCRACY, EMPHASIZING ZEAL OVER EXPERIENCE, AND CREATING MASSIVE OFFICIAL VACANCIES BY ATTACKING INCUMBENTS. NOW THE AUTHORITY OF THE PARTY HAS BEEN FIRMLY REESTABLISHED AND REHABILITATIONS ARE BACK IN CHARGE ALL OVER THE COUNTRY AND IN EVERY SPHERE. THIS MEANS THAT MANY AMBITIOUS YOUNGER PEOPLE (NOT REALLY YOUNG ANY MORE) MUST SEE THEIR PATHS TO THE TOP BLOCKED AT THEIR ELDERS CLAIM THE TRADITIONAL CHINESE PREROGATIVES OF AGE AND EXPERIENCE. OUR BIOGRAPHICAL REPORTING AND OUR STUDIES OF PROVINCIAL DEVELOPMENTS THUS MUST TAKE GENERATIONAL FACTORS MORE INTO ACCOUNT TRYING TO DETERMINE WHEN, HOW, AND WHERE A NEW GENERATION OF LEADERS IS POSITIONING ITSELF.

7. FINALLY, WE NEED TO KEEP IN MIND THAT THE POWER STRUGGLE IN CHINA IS NOT YET RESOLVED. EVEN ASSUMING HUA HOLDS CONTROL, WE DO NOT KNOW WHAT THE RULING GROUP UNDER HIM WILL LIKELIKE OR WHAT POLICIES IT MAY CHOOSE TO FOLLOW. THE GOAL WILL DOUBTLESS REMAIN TO BECOME A SECRET

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MODERN, POWERFUL SOCIALIST STATE BY THE END OF THE CENTURY. MOST OF US WOULD AGREE THAT A STRONG AND STABLE CHINA, WHICH WE ASSUME WOULD CONTINUE TO BE SELF-CENTERED AND INWARD-LOOKING, WOULD CAUSE FEWER PROBLEMS FOR THE WORLD THAN WOULD A FRAGMENTED, UNSTABLE, AND HUNGRY

CHINA. THE POLICIES CHINA MIGHT ADOPT TO ACHIEVE THAT GOAL, HOWEVER, WILL NOT NECESSARILY BE COMPATIBLE WITH OUR INTERESTS.

8. IN THIS CONNECTION WE WILL PAY PARTICULAR ATTENTION TO THE PRC SIDE OF SINO-SOVIET RELATIONS. THE CHINESE IN ALL PUBLIC STATEMENTS SINCE MAO DIED HAVE REAFFIRMED THEIR OPPOSITION TO THE SOVIET UNION AND THEIR CONTINUED ADHERENCE TO "MAO'S REVOLUTIONARY LINE IN FOREIGN POLICY" WHICH READS OUT TO MEAN THE OPENING OF THE WEST AND THE US IN PARTICULAR. SINCE IT IS GENERALLY FELT THAT THE SECOND OF THESE DEPENDS TO A LARGE DEGREE ON THE FIRST, ONE SENSES A WASHINGTON CONCERN OVER THE POSSIBLE EFFECTS OF A DIMINUTION OF HOSTILITY BETWEEN THE TWO. THEREFORE, IT WOULD BE USEFUL TO ASSESS, GIVEN THE CURRENT LEADERSHIP, EXACTLY WHAT THE PRC WOULD DO TO BRING ABOUT BETTER RELATIONS WITH THE SOVIET UNION EITHER IN RESPONSE TO A SOVIET INITIATIVE OR BY GESTURES ON ITS OWN. WHAT, FOR EXAMPLE, ARE THE LIMITS OF COOPERATION BETWEEN THEM AS THE CHINESE MIGHT SEE THEM? WHAT COULD THE PRC AFFORD TO DO FOR THE SOVIET UNION TO RELAX TENSIONS? HOW FAR WOULD THEY REALLY LOWER THEIR GUARD ON THEIR FRONTIERS WITH THE RUSSIANS? ASSUMING THE PRC MAY PERCEIVE A NEED TO IMPROVE ITS LEVERAGE IN THE US/PRC/USSR RELATIONSHIP. WHAT STEPS MIGHT PEKING TAKE? WOULD THEY BE EFFECTIVE? TO WHAT EXTENT, IF ANY, WOULD SUCH A PRC EFFORT DAMAGE US INTERESTS?

9. WE SEE NO NEED AT THIS STAGE TO REACT TO EVENTS IN CHINA. CLEARLY THE UNITED STATES COULD NEVER DEVELOP THE DETAILED KNOWLEDGE OF THE DECISION-MAKING PROCESS IN CHINA NECESSARY TO TRY TO INFLUENCE ITS OUTCOME THROUGH STATEMENTS OR GESTURES. AT LEAST UNTIL EVENTS AND ANALYSIS GIVE SOME BETTER UNDERSTANDING OF THE DIRECTION IN WHICH CHINA IS LIKELY TO MOVE, WE CAN AFFORD TO WATCH AND WAIT, KEEPING IN MIND THAT A CHINESE COMMUNIST

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"MODERATE" OR "PRAGMATIST", WHILE PERHAPS NOT A CONTRADICTION IN TERMS, WILL THINK AND ACT IN WAYS ALIEN TO OUR CONCEPTS OF MODERATION AND PRAGMATISM.

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